

Senate Engrossed House Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

HOUSE CONCURRENT RESOLUTION 2007

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO THE CITIZENS CLEAN ELECTIONS ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

3 1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to the citizens clean elections act, is
5 enacted to become valid as a law if approved by the voters and on
6 proclamation of the Governor:

7 AN ACT

8 AMENDING SECTIONS 16-948 AND 16-956, ARIZONA REVISED STATUTES;
9 RELATING TO THE CITIZENS CLEAN ELECTIONS ACT.

10 Be it enacted by the Legislature of the State of Arizona:

11 Section 1. Section 16-948, Arizona Revised Statutes, is
12 amended to read:

13 16-948. Controls on participating candidates' campaign
14 accounts

15 A. A participating candidate shall conduct all
16 financial activity through a single campaign account of the
17 candidate's campaign committee. A participating candidate
18 shall not make any deposits into the campaign account other
19 than those permitted under section 16-945 or 16-946.

20 B. A candidate may designate other persons with
21 authority to withdraw ~~funds~~ MONIES from the candidate's
22 campaign account. The candidate and any person so designated
23 shall sign a joint statement under oath promising to comply
24 with the requirements of this title.

25 C. The candidate or a person authorized under
26 subsection B of this section shall pay monies from a
27 participating candidate's campaign account directly to the
28 person providing goods or services to the campaign and shall
29 identify, on a report filed pursuant to article ~~1~~ 1.4 of this
30 chapter, the full name and street address of the person and
31 the nature of the goods and services and compensation for
32 which payment has been made. THE FOLLOWING PAYMENTS MADE
33 DIRECTLY OR INDIRECTLY FROM A PARTICIPATING CANDIDATE'S
34 CAMPAIGN ACCOUNT ARE UNLAWFUL CONTRIBUTIONS:

35 1. A PAYMENT MADE TO A PRIVATE ORGANIZATION THAT IS
36 EXEMPT UNDER SECTION 501(a) OF THE INTERNAL REVENUE CODE AND
37 THAT IS ELIGIBLE TO ENGAGE IN ACTIVITIES TO INFLUENCE THE
38 OUTCOME OF A CANDIDATE ELECTION.

39 2. A PAYMENT MADE DIRECTLY OR INDIRECTLY TO A POLITICAL
40 PARTY.

41 D. Notwithstanding ~~the previous sentence~~ SUBSECTION C
42 OF THIS SECTION, a campaign committee may establish one or
43 more petty cash accounts, which in aggregate shall not exceed
44 one thousand dollars at any time. No single expenditure shall
45 be made from a petty cash account exceeding one hundred
46 dollars.

1 ~~D.~~ E. Monies in a participating candidate's campaign
2 account shall not be used to pay fines or civil penalties, for
3 costs or legal fees related to representation before the
4 commission, or for defense of any enforcement action under
5 this chapter. Nothing in this subsection shall prevent a
6 participating candidate from having a legal defense fund.

7 ~~E.~~ F. A participating candidate shall not use clean
8 elections monies to purchase goods or services that bear a
9 distinctive trade name, trademark or trade dress item,
10 including a logo, that is owned by a business or other entity
11 that is owned by that participating candidate or in which the
12 candidate has a controlling interest. The use of goods or
13 services that are prohibited by this subsection is deemed to
14 be an unlawful in-kind contribution to the participating
15 candidate.

16 Sec. 2. Section 16-956, Arizona Revised Statutes, is
17 amended to read:

18 16-956. Voter education and enforcement duties

19 A. The commission shall:

20 1. Develop a procedure for publishing a document or
21 section of a document having a space of predefined size for a
22 message chosen by each candidate. For the document that is
23 delivered before the primary election, the document shall
24 contain the names of every candidate for every statewide and
25 legislative district office in that primary election without
26 regard to whether the candidate is a participating candidate
27 or a nonparticipating candidate. For the document that is
28 delivered before the general election, the document shall
29 contain the names of every candidate for every statewide and
30 legislative district office in that general election without
31 regard to whether the candidate is a participating candidate
32 or a nonparticipating candidate. The commission shall deliver
33 one copy of each document to every household that contains a
34 registered voter. For the document that is delivered before
35 the primary election, the delivery may be made over a period
36 of days but shall be sent in time to be delivered to
37 households before the earliest date for receipt by registered
38 voters of any requested early ballots for the primary
39 election. The commission may deliver the second document over
40 a period of days but shall send the second document in order
41 to be delivered to households before the earliest date for
42 receipt by registered voters of any requested early ballots
43 for the general election. The primary election and general
44 election documents published by the commission shall comply
45 with all of the following:

1 (a) For any candidate who does not submit a message
2 pursuant to this paragraph, the document shall include with
3 the candidate's listing the words "no statement submitted".

4 (b) The document shall have printed on its cover the
5 words "citizens clean elections commission voter education
6 guide" and the words "primary election" or "general election"
7 and the applicable year. The document shall also contain at
8 or near the bottom of the document cover in type that is no
9 larger than one-half the size of the type used for "citizens
10 clean elections commission voter education guide" the words
11 "paid for by the citizens clean elections fund".

12 (c) In order to prevent voter confusion, the document
13 shall be easily distinguishable from the publicity pamphlet
14 that is required to be produced by the secretary of state
15 pursuant to section 19-123.

16 2. Sponsor debates among candidates, in such manner as
17 determined by the commission. The commission shall require
18 participating candidates to attend and participate in debates
19 and may specify by rule penalties for nonparticipation. The
20 commission shall invite and permit nonparticipating candidates
21 to participate in debates.

22 3. Prescribe forms for reports, statements, notices and
23 other documents required by this article. The commission
24 shall not require a candidate to use a reporting system other
25 than the reporting system jointly approved by the commission
26 and the office of the secretary of state.

27 4. Prepare and publish instructions setting forth
28 methods of bookkeeping and preservation of records to
29 facilitate compliance with this article and explaining the
30 duties of persons and committees under this article.

31 5. Produce a yearly report describing the commission's
32 activities and any recommendations for changes of law,
33 administration or funding amounts and accounting for monies in
34 the fund.

35 6. Adopt rules to implement the reporting requirements
36 of section 16-958, subsections D and E.

37 7. Enforce this article, ensure that money from the
38 fund is placed in candidate campaign accounts or otherwise
39 spent as specified in this article and not otherwise, monitor
40 reports filed pursuant to this chapter and financial records
41 of candidates as needed and ensure that money required by this
42 article to be paid to the fund is deposited in the fund. The
43 commission shall not take action on any external complaint
44 that is filed more than ninety days after the postelection
45 report is filed or ninety days after the completion of the

1 canvass of the election to which the complaint relates,
2 whichever is later.

3 B. The commission may subpoena witnesses, compel their
4 attendance and testimony, administer oaths and affirmations,
5 take evidence and require by subpoena the production of any
6 books, papers, records or other items material to the
7 performance of the commission's duties or the exercise of its
8 powers.

9 C. The commission may adopt rules to carry out the
10 purposes of this article and to govern procedures of the
11 commission. ~~Commission rule making is exempt from title 41,~~
12 ~~chapter 6, article 3.~~ The commission shall propose and adopt
13 rules in public meetings, with at least sixty days allowed for
14 interested parties to comment after the rules are proposed.
15 The commission shall also file ~~a notice of exempt rule making~~
16 ~~and~~ the proposed rule in the format prescribed in section
17 41-1022 with the secretary of state's office for publication
18 in the Arizona administrative register. After consideration
19 of the comments received in the sixty day comment period, the
20 commission may adopt the rule in an open meeting. Any rules
21 given final approval in an open meeting shall be filed in the
22 format prescribed in section 41-1022 with the secretary of
23 state's office for publication in the Arizona administrative
24 register. Any rules adopted by the commission shall only be
25 applied prospectively from the date the rule was adopted.

26 D. Rules adopted by the commission are not effective
27 until January 1 in the year following the adoption of the
28 rule, except that rules adopted by unanimous vote of the
29 commission may be made immediately effective and enforceable.

30 E. If, in the view of the commission, the action of a
31 particular candidate or committee requires immediate change to
32 a commission rule, a unanimous vote of the commission is
33 required. Any rule change made pursuant to this subsection
34 that is enacted with less than a unanimous vote takes effect
35 for the next election cycle.

36 F. Based on the results of the elections in any
37 quadrennial election after 2002, and within six months after
38 such election, the commission may adopt rules changing the
39 number of qualifying contributions required for any office
40 from those listed in section 16-950, subsection D, by no more
41 than twenty ~~per cent~~ PERCENT of the number applicable for the
42 preceding election.

43 2. The Secretary of State shall submit this proposition to the
44 voters at the next general election as provided by article IV, part 1,
45 section 1, Constitution of Arizona.

PASSED BY THE HOUSE MAY 3, 2018

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PASSED BY THE SENATE MAY 3, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 4, 2018

Passed the House February 20, 2018

by the following vote: 34 Ayes,

25 Nays, 1 Not Voting

[Signature]
Speaker of the House

☒ Pro Tempore

[Signature]
Chief Clerk of the House

Passed the Senate May 3, 2018

by the following vote: 17 Ayes,

12 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Resolution received by the Secretary of State

this _____ day of _____, 20____

at _____ o'clock _____ M.

H.C.R. 2007

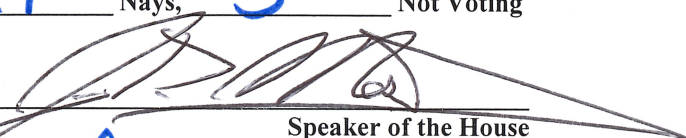
Secretary of State

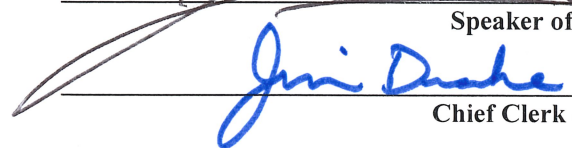
HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 3, 20 18,

by the following vote: 33 Ayes,

24 Nays, 3 Not Voting


Speaker of the House

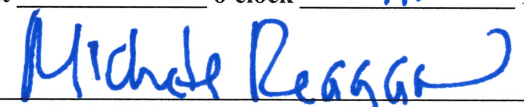

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Resolution was received by the Secretary of State

this 4 day of May, 20 18,

at 8:55 o'clock A. M.



Secretary of State

H.C.R. 2007